

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
NURSING HOME (NH) STANDARD ADVISORY COMMITTEE (SAC) MEETING**

Thursday, October 18, 2007

Capitol View Building
201 Townsend Street
MDCH Conference Center
Lansing, Michigan 48913

APPROVED MINUTES

I. Call To Order

Chairperson Chalgian called the meeting to order at 9:04 a.m.

A. Members Present:

Diane H. Baker, Blue Cross Blue Shield of Michigan
Renee Beniak, Michigan County Medical Care Facilities Council
James P. Bowe, Michigan Association of Homes & Services for the Aging
James Branscum, Vice-Chairperson, Health Care Association of Michigan (HCAM)
Bart J. Carrel, Borgess Health
Douglas Chalgian, Chairperson, Alzheimer's Association
Thomas E. Czerwinski, Area Agencies on Aging Association of Michigan
Alison E. Hirschel, Michigan Poverty Law Program
Priscilla Mazurek, RN, University of Michigan Health System (Arrived @ 9:35 a.m.)
Sarah Slocum, Michigan Long Term Care Ombudsman
Susan C. Steinke, Michigan Quality Community Care Council

B. Members Absent:

Marge Faville, SEIU

C. Michigan Department of Community Health Staff Present:

Umbrin Ateequi
Joette Laseur
Andrea Moore
Brenda Rogers
Taleitha Pytlowanyj

II. Declaration of Conflicts of Interests

Mr. Bowe stated that his facility has recently submitted a CON application for a replacement facility.

Mr. Carrel stated that his facility has also recently submitted a CON application for a replacement facility.

III. Review of Agenda

Motion by Mr. Bowe, seconded by Ms. Steinke, to accept the agenda as presented. Motion Carried.

IV. Review of Minutes – August 22, 2007

Mr. Bowe stated that there is a correction to item IX(A) of the minutes. His name should appear in the names of task group participants instead of Vice-Chairperson Branscum.

Motion by Ms. Hirschel, seconded by Mr. Czerwinski, to approve the minutes as modified. Motion Carried.

V. Quality Measures

Vice-Chairperson Branscum reported on the work of the task group. He stated the task group had met several times. He reviewed the recommendations of the task group (Attachment A). He stated that the Committee will have to decide on threshold 1 whether or not an applicant proposing to renovate/replace should not be eligible or should be eligible to apply under the new design model language because the task group could not come to a consensus. Discussion followed.

Public Comment

Pat Anderson, HCAM

Motion by Ms. Slocum, seconded by Ms. Hirschel, that the Committee accept the facility chain size chart found in both threshold one and two as written, with the understanding that one is a bar. Motion Carried.

Public Comment

Bob Orme, MDCH Medicaid

Motion by Mr. Carrel, seconded by Ms. Steinke, to add a number five to threshold one which would state that outstanding quality assurance assessment program (QAAP) and/or civil monetary penalties (CMP) owed to the State are paid in full at the time of a CON application. Motion Carried.

Chairperson Chalgian polled the Committee on whether or not under threshold one an applicant should be eligible to apply under the new design model language to renovate/replace. Six members agreed that it should be allowed, four members agreed that it should not be allowed, therefore the consensus is to allow.

Public Comment

Phyllis Adams, Dykema

Chairperson Chalgian asked Ms. Adams to provide to the Department Medicaid language that would further define "common control."

Motion by Chairperson Chalgian, seconded by Mr. Czerwinski, to accept the structure of the quality measures with the modifications. Motion Carried.

Break from 10:25 a.m. to 10:47 a.m.

Public Comment

Dan Gustafson, Healthcare Association of Michigan

VI. Addendum for Special Population Group Beds

Ms. Mazurek gave a brief overview of the progress of the task group thus far. She stated the task group would be meeting again and would present recommendations to the Committee at the next meeting. Discussion followed.

VII. Definitions and Methodologies

A. Wayne County Planning Areas

Motion by Vice-Chairperson Branscum, seconded by Ms. Mazurek, to make Wayne County one planning area instead of three separate planning areas.

Public Comment

Phyllis Adams, Dykema

Branscum/Mazurek Motion. Motion Failed.

B. Comparative Review Criteria

Mr. Carrel provided a brief overview of the task group progress. He reviewed the recommendations of the task group to the comparative review criteria in the language (Attachment B). Ms. Steinke provided additional clarification on the recommendations of the task group. The Committee stated they are still researching the advantages of leasing over ownership. Discussion followed.

Motion by Vice-Chairperson Branscum, seconded by Ms. Steinke, to accept the recommendations of the task group, with the understanding of being able to look further into leasing over ownership. Motion Carried.

Public Comment

Phyllis Adams, Dykema

C. Bed Need Methodology

Ms. Moore reported the task group had met once and would be meeting again. She also stated that the task group would have recommendations at the next meeting. Discussion followed.

IX. Long – Term Care Policies and Regulations

Ms. Steinke stated that she has some concerns, but would wait until later to discuss them.

VIII. Next Steps

Chairperson Chalgian stated that at the next meeting, the first item to be discussed on the agenda will be the bed need methodology, followed by the special population group beds. Then a final review of quality measures and comparative review.

Ms. Steinke requested clarification from the Department on certain parts of the NH draft language. Discussion followed.

IX. Future Meeting Dates:

November 8
November 28

XII. Public Comment

Melissa Cupp, Wiener & Associates

XIII. Adjournment

Motion by Ms. Baker, seconded by Ms. Steinke, to adjourn the meeting at 12:07 p.m. Motion Carried.

Draft Quality Measures

Quality Measures Criteria Proposed for Inclusion in the Standards	CON Approval											
	To Initiate a New Nursing Home (Section 6)	To Acquire an Existing Home (Section 8)	To Increase Beds at an Existing Home (Section 6)	To Renovate/ Replace (Section 7)								
<p>Addition to Definitions (Section 2): “Common ownership or control” means a nursing home that is owned by, is under common control of, or has a common parent as the applicant nursing home.</p>												
<p>Threshold 1: If the Applicant or nursing homes under common ownership or control meet any of the following conditions in accordance with the chart below, then the Applicant will be eligible for CON approval as shown in the columns to the right:</p> <ol style="list-style-type: none">1. A state enforcement action involving license revocation, reduced license capacity, or receivership within last three years.2. A filing of bankruptcy, within last three years.3. Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement initiated by the Department, within the last three years.4. A number of citations at Level D or above, excluding K Tags, on the scope and severity grid on two consecutive standard surveys that exceeds twice the statewide average for citations of Level D or above. (Statewide Fiscal year average applied to the next calendar year.)5. Outstanding debt obligation to QAAP or CMP at the time of application. <table><tr><th>Number of Facilities under Common Ownership or Control</th><th>Number of Facilities with Threshold Criteria</th></tr><tr><td>Up to 10 nursing homes</td><td>1 or more facilities</td></tr><tr><td>11 to 20 nursing homes</td><td>2 or more facilities</td></tr><tr><td>More than 21 nursing homes</td><td>3 or more facilities</td></tr></table>	Number of Facilities under Common Ownership or Control	Number of Facilities with Threshold Criteria	Up to 10 nursing homes	1 or more facilities	11 to 20 nursing homes	2 or more facilities	More than 21 nursing homes	3 or more facilities	Not Eligible	Not Eligible	Not Eligible	Eligible to Apply Under New Design Model Addendum
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Up to 10 nursing homes	1 or more facilities											
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Quality Measures Criteria Proposed for Inclusion in the Standards	CON Approval											
	To Initiate a New Nursing Home (Section 6)	To Acquire an Existing Home (Section 8)	To Increase Beds at an Existing Home (Section 6)	To Renovate/ Replace (Section 7)								
<p>Threshold 2: If the Applicant or nursing homes under common ownership or control do not have any of Threshold 1 criteria, but do meet any of the following conditions in accordance with the chart below, then the Applicant will be eligible for CON approval as shown in the columns to the right:</p> <p>1. A state rule violation showing failure to comply with state minimum staffing requirements and/or a federal citation documenting potentially harmful resident care deficits resulting from insufficient staff, within the last three years.</p> <p>2. Repeat citations at the harm or substandard quality of care level. “Repeat citation” is defined as two citations of the same federal deficiency, or two or more citations within the same regulatory grouping, at the substandard quality of care, harm, or Immediate Jeopardy levels, issued within the last three years or three standard survey cycles.</p> <table><tr><th>Number of Facilities under Common Ownership or Control</th><th>Number of Facilities with Threshold Criteria</th></tr><tr><td>Up to 10 nursing homes</td><td>1 or more facilities</td></tr><tr><td>11 to 20 nursing homes</td><td>2 or more facilities</td></tr><tr><td>More than 21 nursing homes</td><td>3 or more facilities</td></tr></table>	Number of Facilities under Common Ownership or Control	Number of Facilities with Threshold Criteria	Up to 10 nursing homes	1 or more facilities	11 to 20 nursing homes	2 or more facilities	More than 21 nursing homes	3 or more facilities	Eligible to Apply Under New Design Model Addendum	Not Eligible	Eligible to Apply Under New Design Model Addendum	Eligible to Apply Under New Design Model Addendum
Number of Facilities under Common Ownership or Control	Number of Facilities with Threshold Criteria											
Up to 10 nursing homes	1 or more facilities											
11 to 20 nursing homes	2 or more facilities											
More than 21 nursing homes	3 or more facilities											
<p>Threshold 3: If the Applicant does not have any of Threshold 1 or 2 criteria, then the Applicant will be eligible for CON approval as shown in the columns to the right.</p>	Eligible	Eligible	Eligible	Eligible								

Applying the Quality Measures to Example Situations:

1. Applicant A wants to initiate a 125 bed nursing home. Two years ago received a state citation for failing to have appropriate staffing levels. Could the Applicant be approved for the project?

No, because the Applicant meets the criteria of Threshold 2. However, the Applicant would be eligible to initiate a 100 bed nursing home utilizing the New Design Model Addendum.

2. Applicant B, who filed for bankruptcy 5 years ago, would like to acquire Nursing Home X. Nursing Home X had 24 Level D or higher citations last year and 30 Level D or higher citations the year before. Could Applicant B acquire Nursing Home X?

Yes, because the bankruptcy was 5 years old. Additionally, the citations of the nursing home to be acquired are not taken into consideration.

3. Applicant C would like to replace its 50 bed nursing home. The Applicant was involved in a State enforcement action, which included receivership, two years ago. Could the Applicant be approved to replace the nursing home?

No, because the Applicant meets the criteria of Threshold 1 and does not have one of the exception conditions.

4. Applicant D is proposing to renovate its 200 bed nursing home, with all beds staying within the current footprint. The estimated project costs are \$7 million. The nursing home has had more than two times the statewide average number of citation for the last three years. Could the Applicant be approved to renovate the nursing home?

Yes, because the renovation will not come under the Nursing Home Standards. It would be reviewed as a covered capital expenditure, pursuant to MCL 333.22225.

5. Applicant E is proposing to renovate its 150 bed nursing home, placing 75 beds into space currently licensed for Home for the Aged beds. The estimated project costs are \$5 million. The nursing home has had more than two times the statewide average number of citation for the last two years. Could the Applicant be approved to renovate the nursing home?

No, because the project would be subject to the Nursing Home Standards by moving the beds to newly licensed space and the Applicant meets the criteria of Threshold 1.

(A) THE TOTAL NUMBER OF EXISTING NURSING HOME BEDS IN THAT PLANNING AREA IS EQUAL TO OR LESS THAN THE NEEDED NURSING HOME BED SUPPLY SET FORTH IN APPENDIX B.

(B) THE NUMBER OF BEDS TO BE REPLACED IS EQUAL TO OR LESS THAN THE NUMBER OF CURRENTLY LICENSED BEDS AT THE HEALTH FACILITY AT WHICH THE BEDS PROPOSED FOR REPLACEMENT ARE CURRENTLY LOCATED. THIS SUBSECTION IS NOT APPLICABLE TO PROJECTS SEEKING APPROVAL FOR BEDS FROM THE STATEWIDE POOL OF BEDS.

Section 98. Requirements for approval ~~— acquisition of a new~~ FOR ACQUIRING OR RENEWAL OF THE LEASE OF AN EXISTING nursing home ~~or~~ HLTCU

Sec. 98. (1) An applicant proposing to acquire ~~a new~~ AN EXISTING nursing home or HLTCU shall not be required to be in compliance with the needed nursing home bed supply set forth in Appendix B for the planning area in which the nursing home or HLTCU ~~subject to the proposed acquisition~~ is located if the applicant demonstrates ~~that~~ all of the following ~~are met~~:

- (a) the acquisition will not result in a change in bed capacity,
- (b) the licensed site does not change as a result of the acquisition, ~~and~~
- (c) the project is limited solely to the acquisition of a nursing home or HLTCU with a valid license.

(D) A PLAN OF CORRECTION FOR CITED STATE OR FEDERAL CODE DEFICIENCIES AT THE HEALTH FACILITY, IF ANY, HAS BEEN SUBMITTED AND APPROVED BY THE BUREAU OF HEALTH SYSTEMS WITHIN THE DEPARTMENT. CODE DEFICIENCIES INCLUDE ANY UNRESOLVED DEFICIENCIES STILL OUTSTANDING WITH THE DEPARTMENT, AND

(E) THE HLTCU REMAINS WITHIN THE HOSPITAL, IF THE PROJECT INVOLVES AN HLTCU.

(2) AN APPLICANT PROPOSING TO RENEW A LEASE FOR AN EXISTING NURSING HOME/HLTCU SHALL NOT BE REQUIRED TO BE IN COMPLIANCE WITH THE NEEDED NURSING HOME BED SUPPLY SET FORTH IN APPENDIX B FOR THE PLANNING AREA IN WHICH THE NURSING HOME/HLTCU IS LOCATED, IF THE APPLICANT DEMONSTRATES ALL OF THE FOLLOWING:

- (A) THE LEASE RENEWAL WILL NOT RESULT IN A CHANGE IN BED CAPACITY,
- (B) THE LICENSED SITE DOES NOT CHANGE AS A RESULT OF THE LEASE RENEWAL, AND
- (C) A PLAN OF CORRECTION FOR CITED STATE OR FEDERAL CODE DEFICIENCIES AT THE HEALTH FACILITY, IF ANY, HAS BEEN SUBMITTED AND APPROVED BY THE BUREAU OF HEALTH SYSTEMS WITHIN THE DEPARTMENT. CODE DEFICIENCIES INCLUDE ANY UNRESOLVED DEFICIENCIES STILL OUTSTANDING WITH THE DEPARTMENT.

Section 109. Review standards for comparative review

Sec. ~~10-9~~ (1) Any application subject to comparative review, under Section 22229 of the Code, being Section 333.22229 of the Michigan Compiled Laws, or under these standards, shall be grouped and reviewed comparatively with other applications in accordance with the CON rules.

(2) The degree to which each application in a comparative group meets the criterion set forth in Section 22230 of the Code, being Section 333.22230 of the Michigan Compiled Laws, shall be determined based on the sum of points awarded under subsections (a), AND (b), ~~and (c).~~

(a) A qualifying project will be awarded points, in ~~accord~~ ACCORDANCE with the schedule set forth below, based on the nursing home's/HLTCU's ~~proposed~~ CURRENT percentage of the nursing home's/HLTCU's patient days of care to be reimbursed by Medicaid (calculated using total patient days for all existing and proposed beds at the facility) for the MOST RECENT ~~second~~ 12 months of operation ~~following project completion, and annually for at least seven years thereafter.~~

Proposed Percentage of	Points Awarded
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Medicaid Patient Days	
0	0
1 – 19	<u>43</u>
20 – 29	<u>26</u>
40 – 59	<u>39</u>
60 – 100	<u>412</u>

~~(b) A qualifying project will be awarded points, in accord with the schedule set forth below, based on the nursing home's/HLTCU's proposed percentage, for the second 12 months of operation following project completion and annually for at least seven years thereafter, of all of the nursing home's/HLTCU's newly admitted patients (not including readmissions) that will be Medicaid recipients or Medicaid eligible recipients.~~

<u>Proposed</u>	<u>Points</u>
<u>Percentage of</u>	<u>Awarded</u>
<u>Medicaid</u>	
<u>Admissions</u>	
0	0
1 – 5	1
6 – 15	2
16 – 30	3
31 – 100	4

~~(eB) A qualifying project will be awarded three-NINE (39) points if, within six months of beginning operation and for at least seven years thereafter, 100 percent (100%), SIX (6) POINTS IF 75%, AND THREE (3) POINT IF 50% of the licensed nursing home beds at the facility ~~(both existing and proposed)~~ will be ARE Medicaid certified IN THE MOST RECENT 12 MONTHS.~~

(3) A qualifying project will be awarded points, in accord with the schedule set forth below, based on its MOST RECENT 12 MONTHS OF proposed participation in the Medicare program ~~within six months of beginning operation and annually for at least seven years thereafter, including both physically conforming existing and proposed beds.~~

<u>Proposed</u> Participation	<u>Points</u> <u>Awarded</u>
No Medicare certification of any physically conforming existing and proposed beds.	0
Medicare certification of at least one (1) bed but less than 100% of all physically conforming existing and proposed beds.	1
Medicare certification of 100% of all physically conforming existing and proposed beds.	2

(4) A qualifying project will have points deducted based on the applicant's record of compliance with applicable federal and state safety and operating standards for any nursing home/HLTCU owned and/or operated by the applicant in Michigan. Points shall be deducted in accord with the schedule set forth

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below if, ~~AFTER JULY 11, 1993~~~~following the effective date of these standards~~, the records which are maintained by the Department document (a) any nonrenewal or revocation of license for cause and/or (b) nonrenewal or termination for cause of either Medicare or Medicaid certification of any Michigan nursing home/HLTCU owned and/or operated by the applicant.

Nursing Home/HLTCU Compliance Action	Points Deducted
Nonrenewal or revocation of license	24
Nonrenewal or termination of:	
Certification - Medicare	24
Certification - Medicaid	24

~~(5) A qualifying project will be awarded two points if, following project completion, the applicant will provide either directly or through contractual relationships, as part of its living or housing arrangements, a home for the aged, an adult foster care home, or independent housing located on the same site or in the same planning area.~~

(5) A QUALIFYING PROJECT WILL BE AWARDED NINE (9) POINTS, IF THE APPLICANT CURRENTLY PROVIDES OR DEMONSTRATES THAT IT WILL PARTICIPATE IN A CULTURE CHANGE MODEL, WHICH CONTAINS PERSON CENTERED CARE, ONGOING STAFF TRAINING, AND MEASUREMENTS OF OUTCOMES.

(6) A qualifying project will be awarded points based on the applicant's "Total proposed project cost per bed," in accord with the schedule set forth below, (where "A" represents "Average total proposed project cost per bed"):

Range of "Total proposed project cost per bed"	Points Awarded
0 to (A minus \$3000)	510
(A minus \$2999) to (A minus \$1000)	48
(A minus \$999) to (A plus \$1000)	36
(A plus \$1001) to (A plus \$5000)	24
(A plus \$5001) to (A plus \$11,000)	12
Above (A plus \$11,000)	0

(7) A qualifying project will be awarded points based on the proposed percentage of the "Applicant's cash" to be applied toward funding the "Total proposed project cost" in accord with the schedule set forth below:

Percentage "Applicant's Cash"	Points Awarded
Over 20 percent	510
15.1 to 20 percent	48
10.1 to 15 percent	36
5.1 to 10 percent	24
1.1 to 5 percent	12
0 to 1 percent	0

(8) A QUALIFYING PROJECT WILL BE AWARDED SIX (6) POINTS IF, THE EXISTING OR PROPOSED NURSING HOME PROVIDES HVAC DOCUMENTATION THAT THE AIR CONDITIONING SYSTEM CAN MAINTAIN A TEMPERATURE LEVEL OF 71 – 81° IN ALL COMMON AREAS AND RESIDENT ROOMS.

(9) A QUALIFYING PROJECT WILL BE AWARDED SIX (6) POINTS IF, THE EXISTING OR PROPOSED NURSING HOME IS FULLY EQUIPPED WITH SPRINKLERS.

(10) A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE FACILITY DESIGN OF THE EXISTING OR PROPOSED NURSING HOME:

<u>FACILITY DESIGN</u>	<u>POINTS AWARDED</u>
<u>80% PRIVATE ROOMS WITH PRIVATE TOILET AND SINK, AND CENTRAL SHOWERS WITH ADJACENT PRIVATE CHANGING ROOM</u>	<u>6</u>
<u>80% PRIVATE ROOMS WITH PRIVATE TOILET, SINK, AND SHOWER</u>	<u>6</u>
<u>80% PRIVATE ROOMS WITH PRIVATE SINK, SHARED TOILET, AND CENTRAL SHOWERS WITH ADJACENT PRIVATE CHANGING ROOM</u>	<u>3</u>

~~— (8) —~~ qualifying project will be awarded points for the following financing category:

<u>Financing Category</u>	<u>Points Awarded</u>
Interest only payments after	0
the period of construction	
Payment of principal and interest	2
after the period of construction,	
according to an amortization schedule	

~~(911) THE MINIMUM NUMBER OF~~ No points will be awarded to an applicant under THE INDIVIDUAL SUBSECTIONS OF THIS ~~specific subsections of Section 40 if~~ FOR CONFLICTING information presented in THIS Section ~~AND 40 is inconsistent with~~ related information provided in other ~~portions~~ SECTIONS of the CON application.

~~— (10) —~~ The standards set forth in this section are assigned the weights listed below, with a weight of "1" being important, a weight of "2" being more important, and a weight of "3" being very important. The points awarded to an applicant in each of the subsections shall be multiplied by the applicable weight set forth below to determine the total number of points awarded to each applicant for each subsection.

<u>Subsection</u>	<u>Weight</u>
<u>2(a)</u>	<u>3</u>
<u>2(b)</u>	<u>3</u>
<u>2(c)</u>	<u>3</u>
<u>3</u>	<u>4</u>
<u>4</u>	<u>2</u>
<u>5</u>	<u>4</u>
<u>6</u>	<u>2</u>
<u>7</u>	<u>2</u>
<u>8</u>	<u>4</u>

~~(4412)~~ The Department shall approve those qualifying projects which, taken together, do not exceed the need as defined in Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws, and which have the highest number of points when the results of subsections (2) through

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(4010) are totaled. If two or more qualifying projects are determined to have an identical number of points, then the Department shall approve those qualifying projects which, taken together, do not exceed the need, as defined in Section 22225(1), in the order in which the applications were received by the Department, based on the date and time stamp placed on the application for CON form (form T-150-G-1.01 or any subsequent replacement form) by the Health Facilities Section, CON, when the application is filed.

Section 4410. Project delivery requirements -- terms of approval for all applicants

Sec. 4410. (1) An applicant shall agree that, if approved, the project shall be delivered in compliance with the following terms of CON approval:

(a) Compliance with these standards, including the requirements of Section 409.

(b) Compliance with Section 22230 of the Code shall be based on the nursing home's/HLTCU's actual Medicaid participation within the time periods specified in these standards. Compliance with Section 409(2)(a) of these standards shall be determined by comparing the nursing home's/HLTCU's actual patient days reimbursed by Medicaid, as a percentage of the total patient days, with the applicable schedule set forth in Section 409(2)(a) for which the applicant had been awarded points in the comparative review process. ~~Compliance with Section 10(2)(b) shall be determined by comparing the actual number of Medicaid recipients and Medicaid eligible recipients who were newly admitted, as a percentage of all patients newly admitted to the nursing home/HLTCU, with the applicable schedule set forth in Section 10(2)(b) for which the applicant had been awarded points in the comparative review process.~~ If any of the following occurs, an applicant shall be required to be in compliance with the range in the schedule immediately below the range for which points had been awarded in Section 409(2)(a) ~~or (b)~~, instead of the range of points for which points had been awarded in the comparative review in order to be found in compliance with Section 22230 of the Code: (i) the average percentage of Medicaid recipients in all nursing homes/HLTCUs in the planning area decreased by at least 10 percent between the second 12 months of operation after project completion and the most recent 12-month period for which data are available, (ii) the actual rate of increase in the Medicaid program per diem reimbursement to the applicant nursing home/HLTCU is less than the annual inflation index for nursing homes/HLTCUs as defined in any current approved Michigan State Plan submitted under Title XIX of the Social Security Act which contains an annual inflation index, or (iii) the actual percentage of the nursing home's/HLTCU's patient days reimbursed by Medicaid (calculated using total patient days for all existing and proposed nursing home beds at the facility) exceeds the statewide average plus 10 percent of the patient days reimbursed by Medicaid for the most recent year for which data are available from the Michigan Department of Community Health [subsection (iii) is applicable only to Section 409(2)(a)]. In evaluating subsection (ii), the Department shall rely on both the annual inflation index and the actual rate increases in per diem reimbursement to the applicant nursing home/HLTCU and/or all nursing homes/HLTCUs in the HSA provided to the Department by the Michigan Department of Community Health.

~~—(c) For projects involving the acquisition of a nursing home/HLTCU, the applicant shall agree to maintain the nursing home's/HLTCU's level of Medicaid participation (patient days and new admissions) for the time periods specified in these standards, within the ranges set forth in Section 10(2)(a) and (b) for which the seller or other previous owner/lessee had been awarded points in a comparative review.~~

(eC) Compliance with applicable operating standards.

(eD) Compliance with the following quality assurance standards:

(i) For projects involving replacement beds, the current patients of the facility/beds being replaced shall be admitted to the replacement beds when the replacement beds are licensed, to the extent that those patients desire to transfer to the replacement facility/beds.

(ii) The applicant will assure compliance with Section 20201 of the Code, being Section 333.20201 of the Michigan Compiled Laws.

(iii) The applicant shall participate in a data collection network established and administered by the Department or its designee. The data may include, but is not limited to, annual budget and cost information; operating schedules; and demographic, diagnostic, morbidity, and mortality information, as well as the volume of care provided to patients from all payor sources. The applicant shall provide the required data on an individual basis for each licensed site, in a format established by the Department, and

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